

Service Date: August 18, 1998

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER Of The Application)	UTILITY DIVISION
Of Cascade Gas Company For)	DOCKET NO. D97.12.228
Approval Of Increased Rates For Gas)	ORDER NO. 6042a
(Propane) Service In Its Cascade,)	
Montana, Service Area.)	

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FINAL ORDER GRANTING STIPULATION

APPEARANCES

FOR THE APPLICANT:

John C. Allen, Corporate Attorney, Energy West Resources/Cascade Gas Co.,
No.1 First Avenue S., PO Box 2229, Great Falls, Montana 59403-2229.

Sheila Rice, Division Manager, Great Falls Gas Co./Cascade Gas Co.,
No. 1 First Avenue S., PO Box 2229, Great Falls, Montana 59403-2229.

FOR THE INTERVENORS:

Frank Buckley, Rate Analyst, Montana Consumer Counsel, 616 Helena Ave.,
PO Box 201703, Helena, Montana 59620-1703.

FOR THE COMMISSION:

Martin Jacobson, Staff Attorney, Montana Public Service Commission, 1701
Prospect Ave., PO Box 202601, Helena, Montana 59620-2601.

G. Joel Tierney, Utilities Engineer, Montana Public Service Commission, 1701
Prospect Ave., PO Box 202601, Helena, Montana 59620-2601.

BEFORE:

Bob Anderson, Commissioner and Hearings Examiner.

BACKGROUND

1. On December 2, 1997, Cascade Gas Company (Applicant or CGC) filed an Application with the Montana Public Service Commission (Commission or PSC) for approval of increased rates for propane gas service to the Town of Cascade (Cascade). The Applicant proposed a general rate increase of \$53,000 or 25%, necessary to pay interest costs on the investment in the underground system, and requested an annual gas cost tracker.

2. On December 11, 1997, the Commission issued a Notice of Application and Intervention Deadline with requests for intervention due January 6, 1998.

3. On January 6, 1998, the Commission received a Petition for General Intervention from the Montana Consumer Counsel (MCC).

4. On January 20, 1998, the Commission issued Procedural Order No. 6042 outlining a schedule to be followed in this docket.

5. On January 27, 1998, the Commission received a petition signed by concerned citizens of Cascade.

6. On April 23, 1998, the Commission received a stipulation agreement between CGC and the Montana Consumer Counsel. The stipulation reduced the original request to an increase of \$29,321 or 14% and provides for a 3 year rate freeze. The reduction from the original request was due to lower purchased gas costs, a tax loss carried forward and updated sales volumes.

7. On June 18, 1998, the Commission held a Stipulation Presentation and Hearing at 7:00 p.m. at Wedsworth Hall in Cascade.

FINDINGS OF FACT AND DISCUSSION

8. At the public hearing and stipulation presentation, the Applicant and the MCC presented the stipulation and explained its contents.

9. Four customers of CGC testified at the public hearing. All presented public testimony opposing the increase.

10. The Commission recognizes the concern of the customers of CGC who testified. Nonetheless, the Commission finds that the stipulation (attached as Attachment 1) presented in this case balances the public interest and accepts it. The

Commission also grants the request for an annual gas cost tracking mechanism consistent with the others already in place with CGC's parent company, Energy West, Inc. The 25 percent flexible band granted in the initial filing is hereby repealed.

CONCLUSIONS OF LAW

1. The Montana Public Service Commission is responsible for the supervision, regulation, and control of public utilities pursuant to the provisions of Title 69. Section 69-3-102, MCA.
2. Cascade Gas Company is a public utility subject to the Commission's jurisdiction. Section 69-3-101, MCA.
3. The propane service offered to the Town of Cascade is subject to the regulatory authority of the Commission.
4. Cascade Gas Company is required to file with the Commission tariffs showing all rates, tolls and charges and all rules affecting rates to be charged. Section 69-3-3001, MCA.

ORDER

1. Cascade Gas Company must file tariffs pursuant to the directives in this Order.
2. The relief granted in this Order is effective for services rendered on and after September 1, 1998.

DONE IN OPEN SESSION at Helena, Montana this 17th day of August, 1998 by a 4-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY McCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

BOB ROWE, Commissioner

ATTEST:

Ann Purcell
Acting Commission Secretary

(SEAL)

NOTE: Any interested party may request that the PSC reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.